Labour Market Notes

Strong employment gains to start the year

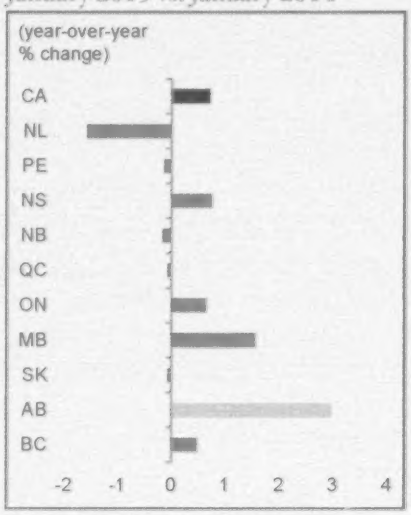
Alberta

- A good start to 2015. Alberta employment grew by 13,700 in January, carrying the momentum from the previous five months. Despite the strong reading in January, the labour market is still expected to cool this year as a result of lower oil prices. Job losses have, in the past, lagged sharp corrections in oil prices.
- Gains in full-time and self-employment. Alberta added 10,100 full-time and 3,600 part-time jobs in January. Self-employment (+7,500) posted substantial gains while the public (+3,800) and private sector (+2,500) were more modest.
- Unemployment rate drops. Alberta's unemployment rate decreased 0.2 percentage points to 4.5% in January, as employment outpaced the labour force entry. Alberta and Saskatchewan now share the lowest unemployment across the provinces.
- Both the service- and goods-producing industries post gains. Service-producing industries added 10,400 positions and goods-producing industries added 3,300 positions in January. Ten out of 16 industries posted job gains, with the highest in other services (+6,700). This industry includes repair and maintenance, religious and professional organizations, and private households.
- Alberta's job growth leads provinces. Alberta year-over-year employment increased by 66,900, accounting for just over half of the job gains in Canada over the last 12 months. This equates employment growth of 3.0%, by far the highest growth rate of the provinces.
- Earnings growth moderates. Average weekly earnings in November were $1,162, down 0.3% from October, and up 2.8% year-over-year (y/y). Average weekly earnings rose 4.0% over the first 11 months of 2014. The oil and gas sector continues to bolster earnings; however growth has begun to moderate.

Canada

- Employment jumps. Canadian employment increased by 35,400, reversing losses of the previous two months. Employment increased in eight out of 10 provinces, led by Quebec (+16,000) and Alberta. Saskatchewan (-8,400)and Novas Scotia (-100) posted the only losses. Canada has added 127,600 jobs since January 2014, a meagre growth rate of 0.7%.
- Unemployment rate dips slightly. The Canadian unemployment rate decreased by 0.1 percentage points to 6.6% in January.
- Earnings growth starts to slide. Canadian average weekly earnings were up slightly from the previous month to $941 in November, 2.2% higher than a year ago. Earnings are up 2.8% for the first 11 months of the year.

Employment Growth by Province, January 2015 vs. January 2014



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,313,900
month-over-month change	13,700
year-over-year % change	3.0%
Alberta Unemployment Rate (UR)	4.5%
Edmonton UR**	5.0%
Calgary UR**	4.8%
Participation Rate	72.9%
Average Weekly Earnings (AWE)	$1,161.93
year-over-year % change	2.8%
Average Hourly Wage	$28.55
year-over-year % change	1.5%
Job Vacancy Rate**	2.5%

Source: Statistics Canada

* All data is from the Labour Force Survey for January 2015, except AWE which is from the November 2014 Survey of Employment, Payrolls and Hours (SEPH), and the job vacancy rate is for October 2014.

** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

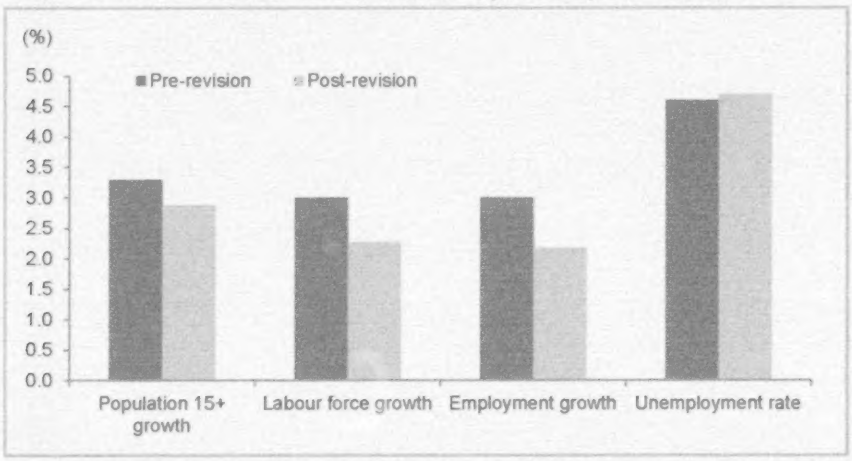
Explaining The Labour Force Survey Revisions

Statistics Canada released revised Labour Force Survey (LFS) estimates on January 28th, impacting LFS data from January 2001 to December 2014. As a result, important labour market estimates have changed for Canada, Alberta and the other provinces. This month's Labour InSight explains the revisions and explores their impacts.

Why was this year's revision more significant?

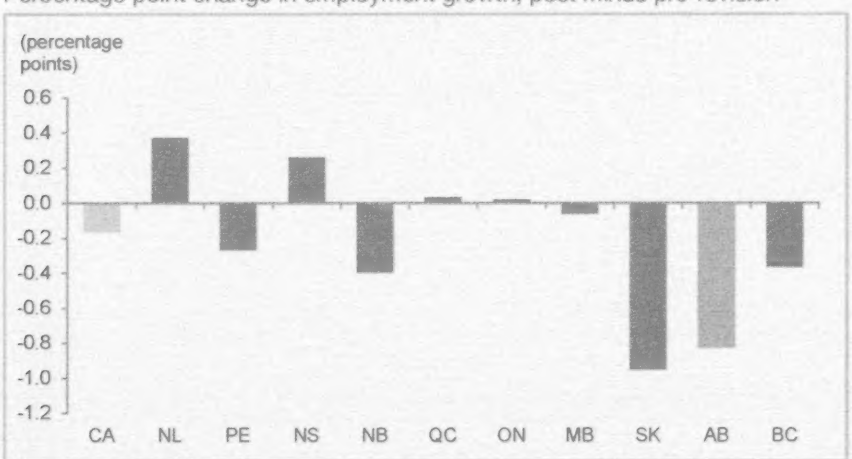
LFS estimates are routinely revised at the beginning of each year to more accurately reflect labour market activity. This year, the revision included re-basing of the LFS to match the population estimates based on Census 2011, rather than Census 2006, and changes to geographic census boundaries. Using more up-to-date population estimates increases the accuracy of the LFS estimates, which tend to become more precise using more recent census data. Population revisions also change the weight given to each representative person in the LFS sample.

Chart 1: Population, labour force and employment growth revised down
Select 2014 Alberta labour market estimates, pre- and post-revision



Source: Statistics Canada

Chart 2: Employment growth revised down in the West
Percentage point change in employment growth, post minus pre-revision



Source: Statistics Canada

How was Alberta impacted?

Alberta population (15+), labour force, employment and unemployment 2014 levels changed by 0.1%. The largest impact was on annual growth rates (Chart 1). In particular, a large upward revision in 2012 reduced growth rates in 2013 and 2014, and changed the trend. Alberta employment growth is now showing a downward trend after 2012, rather than the previously reported upward. Despite the lower growth rate, Alberta maintained the highest employment growth in 2014 at 2.2%, followed by Ontario at 1.0%. Alberta also retained the second lowest unemployment rate among the provinces at 4.7%.

What about other provinces?

Employment growth for Canada was revised down to 0.6% from 0.8% in 2014 (Chart 2). The revised unemployment rate was unchanged at 6.9%. Percent changes to 2014 employment levels ranged from +4.6% in Newfoundland and Labrador to -2.2% in British Columbia. There was substantial variation in the magnitude of the revised employment levels going back to January 2001 between provinces and over time. Unemployment rates in 2014 did not change substantially, ranging from +0.2 percentage points in Nova Scotia to -0.2 percentage points in Prince Edward Island.

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